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COLUMBIA, SOUTH CAROLINA

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VIA ELECTRONIC FILING

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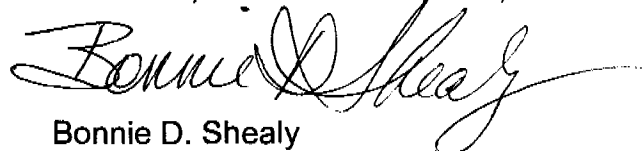
**Re: Application of Duke Energy Carolinas, LLC for Authorization to
Issue and Sell Securities Pursuant to S.C. Code § 58-27-1720
Docket No. 2007-338-E**

Dear Mr. Terreni:

On behalf of Duke Energy Carolinas, LLC, enclosed for filing please find the proposed order approving the Application of Duke Energy Carolinas to amend Order No. 2008-755 in regard to the authorization granted pursuant to S.C. Code Section 58-27-1720. By copy of this letter we are serving the same on the Office of Regulatory Staff. If you have any questions, please have someone on your staff contact me.

Yours truly,

ROBINSON, MCFADDEN & MOORE, P.C.



Bonnie D. Shealy

/bds
Enclosure

cc/enc: Shannon Hudson, ORS Attorney (via email & U.S. Mail)
Robert T. Lucas, III, Esquire (via email)
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**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

DOCKET NO. 2007-338-E -- ORDER NO. 2009-

AUGUST __, 2009

In re:)	
)	(PROPOSED)
Application of Duke Energy Carolinas,)	ORDER APPROVING APPLICATION
LLC, For Authorization Under Article 13,)	TO AMEND EXISTING ORDER TO
Chapter 27 of Title 58 Of The Code Of)	ADD AUTHORITY FOR CAPITAL
Laws of South Carolina, (1976, As)	LEASE OBLIGATIONS AND INTEREST
Amended), to Issue and Sell Securities)	RATE MANAGEMENT AGREEMENTS
)	

This matter is before the Public Service Commission of South Carolina ("Commission") on the Application of Duke Energy Carolinas, LLC ("Applicant" or "the Company") filed July 15, 2009, requesting an amendment (the "Amendment Request") to the Commission's November 6, 2008, Order Number 2008-755 in this docket (the "Existing Order"). The Office of Regulatory Staff has indicated that it has no objection to the request. In the Existing Order, the Commission granted Applicant the authority to issue from time to time a maximum of \$2,000,000,000 aggregate principal amount of a defined list of "Proposed Securities."

As reported in Applicant's Report of Issue and Sale of Securities in this docket filed April 1, 2009, the remaining balance of authorized securities in this docket is \$1,100,000,000. In the Amendment Request, Applicant requests authority to (i) undertake obligations in respect of capital leases in order to support Applicant's construction program, in an amount up to the remaining amount of securities authorized in this docket, and (ii) enter into interest rate management agreements in order to effectively manage the interest costs it incurs in connection with its financial obligations. Specifically, Applicant requests an order from the Commission in

this docket to amend the definition of “Proposed Securities” under Findings of Fact 1 in the Existing Order by adding two new paragraphs numbered 1(iii) and 1(iv) as follows:

“(iii) Capital Lease Obligations

The Company proposes to enter into Capital Leases as a means to finance its acquisition of property as part of its construction program or to refinance existing financing structures, all as further described in the Application for Amended Order dated July 15, 2009.

(iv) Interest Rate Management Agreements

The Company requests authority to enter into Interest Rate Management Agreements in order to manage its interest rate costs, as further described in the Application for Amended Order dated July 15, 2009.”

Finally, in regard to the Existing Order, the Applicant proposes to modify the reporting requirements to include information on executed Interest Rate Management Agreements (with market sensitive data filed under seal as necessary) and requests that a new ordering paragraph be added as follows:

“H. In regard to executed Interest Rate Management Agreements, unless the income statement impact of Interest Rate Management Agreements is presented in the Company’s Form 10-K and Form 10-Q reports, copies of related internal reports to the Company’s Senior Management should be filed with the Commission within thirty (30) days or on a schedule that is consistent with such internal reporting.”

WHEREFORE, the Commission finds that the undertaking of obligations in respect of capital leases and interest rate management agreements in the manner set forth in the Amendment Request is consistent with the findings and conclusions in the Commission's original order in this Docket. It is therefore ordered that the definition of "Proposed Securities" in the Findings of Fact of Commission's Order Number 2008-755 in this docket is amended by adding two new paragraphs 1(iii) and 1(iv) and a new ordering paragraph to such Order as set forth above. It is further ordered that the Commission's original order in this docket stay in full force and effect, except to the extent amended hereby.

BY ORDER OF THE COMMISSION.

Elizabeth B. Fleming, Chairman

ATTEST:

John E. Howard, Vice Chairman